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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. GEMINI ESCROW SERVICES, INC., Respondent.	File No.: 963-1858 ACCUSATION IN SUPPORT OF REVOCATION OF CALIFORNIA ESCROW AGENT'S LICENSE

The Complainant is informed and believes and based upon such information and belief, alleges and charges as follows:

I

Gemini Escrow Services, Inc., ("Respondent") is an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") of the Department of Corporations ("Department") pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 *et seq*.).

II

The Commissioner received a letter from Respondent's attorney on July 9, 2008, informing that Respondent wished to surrender its California escrow agent's license.

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On July 10, 2008, the Commissioner sent a certified letter to Respondent's attorney, which was received on July 14, 2008. This letter notified Respondent that, as a condition of license surrender pursuant to Financial Code section 17600, subdivision (b), the licensee is required to engage a certified public account to conduct a closing audit of the licensee's records ("closing audit report") and report findings of compliance with the Escrow Law to the Commissioner within 105 days from the date of the application to surrender the license.

Pursuant to Financial Code section 17600, subdivision (b), the Respondent's closing audit report was due 105 days from the date of application to surrender its escrow agent's license, which was October 24, 2008.

To date, the Commissioner has not received the closing audit report from Respondent.

Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("annual audit report") within one hundred five (105) days after the close of their fiscal year. Respondent's fiscal year-end is December 31, 2007. Accordingly, Respondent was required to file its annual audit report for the fiscal year ended December 31, 2007, on or before April 15, 2008.

On November 13, 2007, the Commissioner notified Respondent in writing that its annual audit report was due by April 15, 2008. The Commissioner further notified Respondent of the fact that its failure to file its annual report by April 15, 2008 could result in the suspension or revocation of its escrow agent's license.

Respondent has yet to file the annual audit report as required under California Financial Code section 17406.

III

Financial Code section 17600, subdivision (b), provides as follows:

> A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall notify the commissioner in writing and, at that time, tender the license and all other indicia of licensure to the commissioner. Within 105 days of the written notice to the commissioner, the licensee shall submit to the commissioner, at its own expense, a closing audit report as of the date the license is tendered to the commissioner for surrender, or for another period as the commissioner may specify, to be performed by an independent certified public accountant. The

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> closing audit shall include, but not be limited to, information required by the commissioner, a bank reconciliation of the trust account, and a verified statement from a certified public accountant confirming lawful disbursement of funds. A license is not surrendered until the commissioner has reviewed and accepted the closing audit report, a determination has been made by the commissioner that acceptance of the surrender is in the public interest, and tender of the license is accepted in writing by the commissioner.

Financial Code section 17602.5 provides in pertinent part as follows:

> If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

Financial Code section 17608 provides in pertinent part:

> The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:
>
> (b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

IV

Complainant finds that, by reason of the foregoing, Respondent Gemini Escrow Services, Inc. has violated Financial Code sections 17406 and 17600, and it is in the best interests of the public to revoke Respondent's escrow agent's license pursuant to Financial Code section 17608.

WHEREFORE, IT IS PRAYED that the California escrow agent's license of Respondent Gemini Escrow Services, Inc. be revoked.

Dated: November 9, 2011
Los Angeles, CA

California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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